

1 **REMARKS**

2 This Amendment is being filed in response to the non-final Office Action mailed on May 18,
3 2005. This Amendment is accompanied by a Petition for a Three-Month Extension of Time, along
4 with payment of the required fee for a small entity.

5 Claims 33-35, 37-40, 42, 45, and 58-59 were rejected under 35 USC 101 as being directed to
6 non-statutory subject matter. Claim 33 has been amended to recite a computer-assisted method of
7 offering bad debts for sale, wherein the method includes the steps of storing compiled information
8 relating to said at least one bad debt in a computerized database, locating bad debts stored in the
9 computerized database, and providing the potential purchaser with information from the
10 computerized database relating to a bad debt. As amended, claim 33 does not recite a mere idea in
11 the abstract, but rather a method within the technological arts, producing a useful, concrete and
12 tangible result. Claims 34 and 35 depend from claim 33; claims 37 and 58 depend indirectly from
13 claim 33.

14 Claim 38 has been amended to recite a computer-assisted method of offering bad debts for
15 sale including the steps of storing compiled information relating to said plurality of bad debts in a
16 computerized database, locating bad debts stored in the computerized database, and providing the
17 potential purchaser with information from the computerized database. Thus, claim 38 defines
18 statutory subject matter. Claim 39 has been canceled. Claim 40 depends from claim 38, and claims
19 42 and 59 have been amended to depend from claim 41.

20 Similarly, claim 45 has been amended to recite a computer-assisted method of offering bad
21 debts for sale, including the steps of providing a computerized database containing information
22 relating to a plurality of bad debts, locating bad debts stored in the computerized database, and
23 providing the potential purchaser with information contained in the computerized database. Thus,
24 claim 45 now describes statutory subject matter.

25 Claims 1-6, 9-11, 16-19, 21, 23, 28-45, and 47-61 have been rejected under 35 USC 103(a) as
26 describing subject matter considered by the Examiner to have been obvious to those skilled in the art
27 based upon Morris (U.S. Patent Publ. 2001/0034662) in view of the cited July 1994 Rivkin article.
28 The Examiner concedes within the Office Action that Morris does not teach a method of classifying

1 bad debt items based upon a geographic territory where jurisdiction is present over a debtor. The
2 Examiner cites the Rivkin article for its statement that the “most common means of enforcing a
3 judgment is by requesting that a court with jurisdiction issue a writ of execution or similar order.”
4 This statement by Rivkin does not, however, suggest to one skilled in the art the modification of the
5 Morris disclosure in the manner proposed by the Examiner. First, the Rivkin article itself states that
6 “the overwhelming majority of financial cases brought in the US settle before trial, making
7 enforcement of judgments a **little-used tool**” (emphasis added); see the paragraph of the Rivkin
8 article immediately following the heading “ENFORCEMENT OF JUDGMENTS”. Secondly,
9 Rivkin’s discussion of writs of execution is directed to the enforcement of a “judgment”, which
10 presupposes that a judgment has already been obtained against the debtor. In contrast, the Morris
11 disclosure is directed to marketing of debts that have not yet been reduced to a judgment.

12 Thirdly, the statement in the Rivkin article quoted by the Examiner in support of the rejection
13 relates to a jurisdiction in which the judgment debtor has “real property, equipment, fixtures and
14 personal property”, rather than a geographical territory in which the debtor himself is subject to
15 personal jurisdiction; see Rivkin, “Seizure and Sale”, second sentence. In contrast, with the
16 exception of amended claim 53, each of the pending independent claims, as amended, recites an
17 element or step dependent upon a geographic location or territory in which the debtor is subject to
18 personal jurisdiction, as summarized below:

19 1. A method of auctioning bad debts ..., including the step of “classifying said bad debt item
20 based on a geographic territory where jurisdiction is present over a debtor”;

21 31. A system for selling bad debts ..., including ... a remote host system ... having a database
22 ... including at least one bad debt item, said bad debt item being accessible on said associated sales
23 site module in accordance with a geographic territory where jurisdiction is present over a debtor ...;

24 32. A method of outright selling bad debts ..., including the step of “classifying said bad debt
25 item based on a geographic territory where jurisdiction is present over a debtor”;

26 33. A computer-assisted method of offering bad debts for sale ... including the step of
27 compiling information relating to at least one bad debt, ... the compiled information including a
28 geographical location wherein jurisdiction is present over the associated debtor;

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2 38. A computer-assisted method of offering bad debts for sale ... (including the step of) ...
3 compiling information relating to a plurality of bad debts, ... the compiled information including a
4 geographical location wherein jurisdiction is present over said corresponding debtor;

5 45. A computer-assisted method of offering bad debts for sale ... (including the step of) ...
6 providing a computerized database containing information relating to a plurality of bad debts, ...
7 including geographical information ... indicating at least one territory wherein said associated debtor
8 is subject to the jurisdiction of a court;

9 47. A method of marketing uncollected debts, ... (including the steps of) ... storing the
10 gathered debt information and gathered debtor jurisdiction information in a computer storage
11 element; ... and ... providing said client with information from said computer storage element
12 relating to at least one uncollected debt for which the corresponding debtor is subject to the personal
13 legal jurisdiction within the geographic territory specified by the client;

14 55. A method of offering bad debts for sale ... (including the steps of) ... compiling a
15 plurality of bad debts, ... wherein each of said debtors is subject to personal legal jurisdiction of at
16 least one geographic territory; ... allowing said client to select at least one geographic territory; and
17 ... providing the remote client with information relating to at least one bad debt for which the
18 associated debtor is subject to personal legal jurisdiction within the geographic territory selected by
19 the remote client.

20 Thus, even if it were obvious to combine the teachings of the Rivkin article with the Morris
21 disclosure (which Applicant denies), such combination would still not result in a method or system
22 that facilitates the marketing of bad debts based upon a selected jurisdiction in which the debtor is
23 subject to personal jurisdiction.

24 Claim 53 as amended is directed to a method of marketing uncollected debts which includes,
25 among others, the steps of gathering, for each such uncollected debt, debtor property information
26 regarding the geographic location of property that is owned by the debtor associated with each such
27 uncollected debt, and against which property a legal judgment may be levied, and storing the
28 gathered debt information, and the gathered debtor property information, in a computer storage

1 element. Applicant concedes that the Rivkin article states that the most common means of enforcing
2 a judgment against a debtor is by requesting a court with jurisdiction over property owned by the
3 judgment debtor to issue a writ of execution against such property. However, Rivkin's statement
4 assumes that a judgment has already been obtained against such debtor, whereas the Morris
5 disclosure is directed merely to marketing of debt accounts yet to be reduced to judgment. Hence, it
6 would not be obvious to those skilled in the art to modify Morris to organize bad debts in accordance
7 with a jurisdiction in which a debtor owns property because Morris is not dealing with debts that are
8 already reduced to judgment.

9 Claims 7, 12 and 20 were rejected under 35 USC §103(a) based upon Morris and Rivkin
10 (discussed above) in view of the cited Yeazell reference. Each of claims 7, 12 and 20 depends
11 directly or indirectly from claim 1; therefore, claims 7, 12, and 20 are allowable for the same reasons
12 already discussed in regard to claim 1. Claims 7, 12 and 20 each state that gathered information
13 about one or more bad debts includes the geographic location where said debtor is domiciled. The
14 cited portion of the text by Yeazell merely states that a defendant may be sued within the state in
15 which the defendant is domiciled even if the defendant is absent from such state. In making such
16 statement, Yeazell is not discussing judgment debtors, debt collection, or marketing of bad debts.
17 Rather, Yeazell is merely stating a basic principle of civil judicial procedure. This hardly constitutes
18 a suggestion for modification of the Morris debt account marketing system, as proposed by the
19 Examiner.

20 Applicant respectfully submits that, in making the Section 103 rejections set forth in the May
21 18, 2005 Office Action, the Examiner is applying hindsight, based upon knowledge of Applicant's
22 teachings, in an effort to reconstruct the cited prior art, in a manner which has been forbidden by the
23 Court of Appeals for the Federal Circuit. To support a Section 103 rejection of a patent claim, the
24 cited references must fairly suggest the combination/modification proposed by the Examiner; here,
25 they do not.

26 Accordingly, Applicant respectfully submits that the present application is now in condition
27 for allowance, which action is earnestly requested.
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Respectfully submitted,

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